



## PACIFIC PALISADES COMMUNITY COUNCIL

June 18, 2025

Hon. Kelly Loeffler, Administrator, U.S. Small Business Administration (SBA)  
James "Chris" Stallings, Associate Administrator, ODR&R, SBA

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### **Re: Request for Extension of SBA Disaster Loan Acceptance and Drawdown Deadline for Los Angeles Wildfire Survivors**

Dear Administrator Loeffler and Associate Administrator Stallings:

Pacific Palisades Community Council (PPCC) has since 1973 been the voice of Pacific Palisades, the community devastated by the Palisades Fire on January 7, 2025. Acting pursuant to PPCC's bylaws, the PPCC Executive Committee writes on behalf of the community -- residents, homeowners, condominium and townhome owners, HOAs, and small business owners affected by the Fire -- to respectfully **request an extension of the June 30, 2026, deadline for accepting and drawing down approved SBA disaster loan funds.** Specifically, we ask that the SBA:

1. Extend the June 30, 2026, acceptance and drawdown deadline by at least twelve (12) months for borrowers affected by the January 2025 Los Angeles wildfires;
2. Establish automatic extensions for borrowers experiencing ongoing insurance, HOA, permitting, or reconstruction delays; and
3. Provide clear guidance ensuring that borrowers actively engaged in recovery do not lose access to approved assistance due to delays outside their control.

We also respectfully request the opportunity to meet with SBA leadership and community representatives to discuss the ongoing and complex recovery challenges facing wildfire-impacted Los Angeles communities.

We are deeply appreciative of the SBA's substantial commitment to wildfire recovery, including the approval of more than \$3.4 billion in disaster assistance for Los Angeles-area survivors. However, while approvals reflect meaningful federal support, many borrowers remain unable to make informed, responsible decisions about accepting and utilizing those funds. The result is a significant gap between approved assistance and actual disbursement—not due to lack of need, but because recovery conditions have not yet progressed to the point where households can reasonably determine their long-term rebuilding plans.

### **Recovery Has Not Reached the Stage Where Financial Decisions Can Be Made**

Recovery must be understood as more than rebuilding activity alone, as explained in the Los Angeles County Economic Development Corporation (LAEDC) Los Angeles Wildfires: Economic Update #3 (June 2026) <https://laedc.org/laedc-los-angeles-wildfires-economic-update-3/>. It is defined by reoccupation and restoration of community function, including the return of residents, reopening of businesses, restoration of schools and healthcare services, and normalization of daily economic life. Measured by that standard, recovery remains in its early stages.

Across the Palisades and Eaton Fire areas, LAEDC similarly finds that fewer than 1% of destroyed structures have completed rebuilding, underscoring that the vast majority of households remain in insurance, financing, permitting, HOA decision-making, or construction phases. In practical terms, most survivors have not yet reached the point of

returning home—or of knowing whether rebuilding is financially feasible. To date, [only 21% of survivors](#) in the last year across fire-impacted communities have received an SBA loan.

### **Insurance, Cost Uncertainty, and HOA Delays Continue to Prevent Decision-Making**

A recent Department of Angels [quarterly survey](#) found that 4 in 10 survivors have open insurance claims on dwellings, personal property and temporary housing. At the same time, rebuilding estimates continue to evolve, often revealing significant funding gaps only after extended review. For example, after accounting for insurance payments paid or expected to be paid, the average deficit for total loss survivors in [Pacific Palisades is \\$1.19M](#). For condominium and townhome owners, the situation is even more constrained. Many cannot independently decide whether to rebuild because homeowner associations have not yet determined whether properties will be rebuilt, modified, or dissolved. HOAs and individual borrowers cannot responsibly commit to long-term debt while these foundational governance decisions remain unresolved.

### **Displacement Pressures Are Increasing While Recovery Timelines Remain Long**

The LAEDC report finds that approximately 38% of wildfire survivors have already exhausted or will soon exhaust temporary displacement assistance, while many households remain years away from returning home. Essential community infrastructure—including schools, healthcare facilities, and grocery stores—remains in various stages of repair or reconstruction, with some projects not expected to reopen for several years. This creates a mismatch: households are facing expiring housing support while still unable to determine whether rebuilding is feasible or financially sustainable.

### **The Scale of Incomplete Recovery Is Clear**

- Approximately 6,845 structures were destroyed in the Palisades Fire
- Only 928 new-home permits had been approved in the 90272 area as of May 31, 2026
- Only 0.31% of destroyed residential structures have completed reconstruction

These figures reflect a recovery still in its earliest stages, where most affected households have not yet reached final rebuilding decisions.

### **SBA-Approved Assistance Has Not Yet Translated into Access for Many Borrowers**

While SBA has approved approximately \$3.4 billion in disaster assistance, only about \$1 billion has been disbursed or drawn down to date. This gap reflects the reality that many borrowers are still unable to proceed due to unresolved insurance outcomes, permitting timelines, HOA decisions, and construction feasibility questions. A substantial portion of already-approved federal assistance risks becoming effectively inaccessible under the current deadline structure—not because borrowers no longer need it, but because recovery conditions have not yet matured to the point where responsible use is possible.

### **Extending the Deadline Aligns with the Actual Pace of Recovery**

The LAEDC emphasizes that reoccupation—not permitting alone—is the true measure of recovery success. By that measure, affected communities remain far from stabilized. Extending the SBA acceptance and drawdown deadline would:

- Ensure approved federal assistance remains available when survivors are finally able to use it
- Prevent premature forfeiture of disaster aid due to unresolved insurance, HOA, or permitting delays
- Align federal policy with the actual pace of recovery documented by LAEDC
- Improve eventual utilization of already-appropriated disaster funds
- Support faster long-term recovery by preserving financial capacity until rebuilding becomes feasible

**Importantly, this extension would not require additional federal funding. It would preserve access to already-approved assistance until conditions necessary for responsible borrowing decisions are met.**

The Palisades and surrounding fire-affected communities remain committed to rebuilding. However, recovery is not yet at a stage where all survivors can reasonably determine whether, when, or how they will rebuild. Extending these deadlines would ensure that federal disaster assistance remains available when families and businesses are finally able to move forward.

Thank you for your continued leadership and consideration.

Sincerely,

The PPCC Executive Committee:

President Sue Kohl, Vice-President Quentin Fleming, Treasurer Jenny Li, Secretary Beth Holden-Garland, Christina Spitz, Elected Representative (At Large), John Padden, Organizational Representative (PRIDE)

Concurrence: PPCC Officers-elect:

President Allison Holdorff Polhill, Vice-President Reza Akef, Treasurer Daphne Gronich, Secretary Caroline Nick

cc (via email)

U.S. Senate

Hon. Adam Schiff, U.S. Senator for California  
via Patricia Horton, Administrator

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Hon. Alex Padilla, U.S. Senator for California  
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U.S. House of Representatives

Hon. Brad Sherman, Representative, 32<sup>nd</sup> District  
via John Alford, Sr. Policy Deputy

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Hon. Judy Chu, Representative, 28<sup>th</sup> District  
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